GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

WATER RESOURCES DEPARTMENT – Additional term loan for accelerating the progress of ongoing irrigation projects through APWRDC for an amount of Rs.2000.00 Crores from open market/Banks @ 7.90% p.a. interest or lower rate with 2% Guarantee Commission through a guarantee of Government of Andhra Pradesh – Permission – Accorded – Orders – Issued.

WATER RESOURCES (PROJECTS.III) DEPARTMENT

G.O.MS.No. 8 Dated: 30-01-2018.

Read the following:

1.	Andhra Pradesh Act No. 8 of 2004 dt.26.08.2004 notified through Gazette Notification No.19, dt:26.08.2004.
2.	GO Ms No.64, WR (Proj.III) Deptt., dt:13.10.2017,
3.	GO Rt No.611, WR (Proj.III) Deptt., dt:30.10.2017,
4.	GO Rt No.772, WR (Proj.III) Dept., dated:06.12.2017,
5.	GO Rt No.830, WR (Proj.III) Dept., dated:29.12.2017,
6.	Andhra Pradesh Act 2 of 2018 notified through Gazette Notification dated:02.01.2018,
7.	GO Ms No.1, WR (Proj.III) Dept., dt:04.01.2018.
8.	From the MD, APWRDC, Vijayawada Lr.No. 88/MD,APWRDC/ Bank Loans/ 2017, Dated:04.01.2018.

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ORDER:

In the reference 8th read above, the MD, APWRDC, Vijayawada has submitted that vide GO 2nd read above, Government have permitted the Managing Director, APWRDC to take a loan of Rs.3000.00 Crores for ongoing irrigation projects for which the Government will provide unconditional and irrevocable Guarantee.

2. The MD, APWRDC, Vijayawada has also submitted that vide GOs 3rd to 5th read above, the Corporation has raised a total loan of Rs.3000.00 Crores from Vijaya Bank (Rs.2000.00 cr) and Punjab & Sind Bank (Rs.1000.00 cr)with an interest rate of one month MCLR (floating) i.e., 7.90% p.a.

3. The MD, APWRDC, Vijayawada has further submitted that the ENC, Vijayawada has furnished the requirement of funds for ongoing irrigation projects for an amount of Rs.10796.53 Crores.

4. As per Act 8 of 2004, dated 26.08.2004, the Corporation can take a maximum loan of Rs.3000.00 Crores from the open market/National Banks for the ongoing irrigation projects.

5. To keep up the accelerated pace of the ongoing irrigation projects, the Act 8 of 2004 was amended by the Act 2 of 2018 vide Gazette Notification dated:02.01.2018 duly removing the cap for borrowing limit.

6. The MD, APWRDC, Vijayawada has, therefore, requested the Government to accord necessary permission for borrowing additional term loan of Rs.2000.00 Crores for accelerating the progress of ongoing irrigation projects.

7. The Government after careful examination of the matter, hereby provide Unconditional and irrevocable Government Guarantee for the additional term loan amount of Rs.2000.00 Crores to be taken by the APWRDC for accelerating the progress of ongoing irrigation projects from the open market/ banks @ 7.90% p.a. interest or lower rate with 2% Guarantee Commission.

...2/-

8. The MD, APWRDC, Vijayawada is directed to approach Finance Department with the terms and conditions of the Loan Agreement with the financial institutions/Banks.

9. The Guarantee is extended only for the principal amount and not for interest and other costs and is also subject to onetime payment of Guarantee Commission (2% of the loan value) to the Govt. of Andhra Pradesh.

10. The Guarantee shall be void, if the loan is not availed within a period of 1 year from the date of issue of this order.

11. The MD, APWRDC, Vijayawada is requested to take further action in the matter accordingly.

12. This order issues with the concurrence of Finance (DM) Department vide their UO No. 22022/1/2018, dated:30.01.2018.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

SHASHI BHUSHAN KUMAR
SECRETARY TO GOVERNMENT

To
The MD, APWRDC, Vijayawada
Copy to:
The Director of Works & Accounts, A.P., Vijayawada.
The P.S. to Principal Secretary to Hon'ble Chief Minister.
The P.S. to Hon'ble Minister (Water Resources Dept.)
The P.S. to Secretary (W.R.D.)
The Finance (DM) Department.
The General Administration (Cabinet) Department.
(with reference to their U.O.No.47/2018, dt.24-01-2018)
File No. 969576-Proj.III-APWRDCLoan-2k-2018
S.F/S.C.

//Forwarded::By Order//

SECTION OFFICER